

ANALYSIS OF AMENDED BILL

Franchise Tax Board

Author: Florez Analyst: LuAnna Hass Bill Number: AB 1532

Related Bills: None Telephone: 845-7478 Amended Date: August 18, 2000

Attorney: Patrick Kusiak Sponsor: _____

SUBJECT: Farm Labor Contractors Administrative Coordinating Council Includes FTB Representative

SUMMARY OF BILL

This bill would require the Department of Industrial Relations to establish an administrative coordinating council. The purpose of the council is to share information about any violations of farm labor contractors in making payments with respect to their employees. These payments include, but are not limited to, wages, tax withholdings, certain worker contributions and workers' compensation insurance. The members of the council shall include the Labor Commissioner and a representative of the Employment Development Department (EDD) and the Franchise Tax Board (FTB).

This bill also would make various other changes to Labor Code provisions regarding farm labor contractors. These changes do not impact the department's programs or procedures and are not discussed in this analysis.

SUMMARY OF AMENDMENT

The August 18th amendment added the provisions discussed in this analysis.

This is the department's first analysis of this bill.

EFFECTIVE DATE

This bill would become effective and operative January 1, 2001.

SPECIFIC FINDINGS

As a general practice, FTB cooperates with other state agencies and participates on various teams to improve the administration of income tax laws or the operations of the state.

Current state law prohibits the disclosure of any taxpayer information, except as specifically authorized by statute. Any FTB employee or member responsible for the unauthorized disclosure of state or federal tax information is subject to criminal prosecution. Improper disclosure of state tax information is a misdemeanor and improper disclosure of federal tax information is a felony.

This bill would require the Department of Industrial Relations to establish an administrative coordinating council. The members of the council shall include the Labor Commissioner and a representative from EDD and FTB. The purpose of the council is to share information concerning violations of payment obligations by farm labor contractors with respect to employees. These payment obligations include but are not limited to wages, tax withholdings, certain worker contributions, and workers compensation insurance.

Board Position:

_____ S	_____ NA	_____ NP
_____ SA	_____ O	_____ NAR
_____ N	_____ OUA	_____ X PENDING

Department Director

Date

Gerald H. Goldberg

9/13/00

Implementation Considerations

The stated purpose of the council is to share information concerning violations of payment obligations by farm labor contractors with respect to employees. However, the FTB does not have access to such information and could not disclose, due to the statutory prohibition on disclosure discussed above, any tax information on specific farm labor contractors to other state officials or agencies without specific statutory authorization.

FISCAL IMPACT

Departmental Costs

The department's costs to have a representative participate on the council cannot be determined until the council schedule is determined, but such costs are not anticipated to be significant.

Tax Revenue Estimate

This bill would not impact the state's income tax revenues.

BOARD POSITION

Pending.